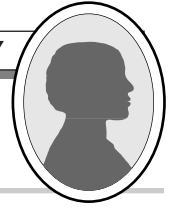


BIOGRAPHY



Ray A. Kroc

Try to picture life without fast food and your community without the famous “golden arches.” That was the world before McDonald’s—and its energetic popularizer, Ray A. Kroc.

As you read the profile below, think about how Ray Kroc changed America’s eating habits.

Ray A. Kroc was always a “go-getter.” Born in Chicago, Illinois in 1902, he was distressed as he watched his father struggle to support the family on a meager salary. As a boy, he resolved that he was going to make money so that he would never have such a struggle. First, however, adventure called. The United States had recently entered World War I, and young Ray was eager to enlist. Though he was only 15, he joined the Red Cross ambulance corps by falsifying his age.

After the war, Kroc held a variety of jobs, including jazz pianist, salesman, and radio musician. Then, in the 1920s, he thought he saw an opportunity to make big money. The Florida real estate boom had begun, and he planned to make a fortune selling land. Before long, however, the boom went bust and Kroc lost everything he owned. He returned to Chicago, “frozen stiff, disillusioned, and broke.”

In 1937, he started his own company to sell a new invention, a machine that made several milk shakes at once. By 1954, a small restaurant in San Bernadino, California was buying more of his machines than any other customer. When Kroc went to discover why, he found two brothers, Mac and Dick McDonald, doing a record business selling just three items—hamburgers, french fries, and milk shakes. Here was the opportunity Kroc had been waiting for. He would start a chain of hamburger drive-ins based on the McDonald brothers’ model.

THE GOLDEN ARCHES

Using innovative business methods, Ray Kroc achieved almost instant success. Under an agreement with the McDonald brothers, he began selling franchises to would-be entrepreneurs. A franchise guaranteed each buyer a store location, uniform materials and methods for selling the products, a training program, and massive advertising. Each franchisee was to follow the company’s formula of “Quality, Service, Cleanliness,” and to adhere to rules for hiring and for restaurant facilities. For example, jukeboxes, cigarette machines, and telephone booths are not permitted because Kroc believed they encouraged young people to hang out. Until the federal government banned gender discrimination, McDonald’s could not hire young girls because Kroc thought “they attract the wrong kind of boys.”

By 1960, there were 228 McDonald’s across the country, with annual sales totaling over \$37 million. America’s fast-food industry was thriving. Today, revenues from the fast-food industry that Kroc helped found total over \$200 billion—40 cents out of every consumer food dollar spent in the United States.

Having achieved his boyhood dream of financial independence, Ray Kroc himself devoted the last years of his life to the Kroc Foundation, a charitable organization to which he contributed many of his millions. He died in 1984.

Questions to Think About

1. In what ways did Kroc demonstrate that he was a “go-getter”? How did he hit upon the idea of fast food?
2. **Testing Conclusions** How would you support the statement that Ray Kroc is the father of the world’s fast food industry?